Nycomed fourth quarter and full-year 2010 results

Well positioned

Nycomed S.C.A. SICAR

Fourth quarter and 2010 highlights

- Emerging markets, especially Russia/CIS and Latin America, growing at double-digit rate in 2010 (+29.7% in local currencies).
- Emerging markets now account for 39% of Nycomed's net turnover.
- Double-digit growth in full-year turnover of Specialty and Respiratory products (+15.5% in local currencies and excluding one-time effects).
- Adjusted EBITDA declined by 8.6% in the fourth quarter and 20.9% in the full year.
- Pantoprazole decline in Europe decelerates, while price pressure continues.
- Roflumilast (Daxas®) launched in several European countries. FDA granted approval for roflumilast in the United States where it will be marketed under the brand name Daliresp™
- Acquired 51.34% stake in Guangdong Techpool Bio-Pharma to increase presence in China.

Key figures

	Q4 2010 (€m)	Q4 2009 (€m)	Change	FY 2010 (€m)	FY 2009 (€m)	Change
Net turnover	792.9	781.1	+1.5% -3.3%(1)	3'170.6	3'228.0	-1.8% -6.2%(1) +0.4%(2)
Gross profit	531.8	537.6	-1.1%	2'181.7	2'332.8	-6.5%
Margin	67.1%	68.8%		68.8%	72.3%	
Operating profit (EBIT)	-126.1	7.2	n/m	-44.2	288.0	n/m
EBITDA	160.2	197.8	-19.0%	774.9	999.1	-22.5%
Margin	20.2%	25.3%		24.4%	31.0%	
Adjusted EBITDA	202.8	221.8	-8.6% -17.7%(1)	850.5	1'074.6	-20.9% -25.7%(1) -15.3%(2)
Margin	25.6%	28.4%		26.8%	33.3%	

The audited full year report is available for download at: http://www.nycomed.com/investors/reports/
(1) In local currencies
(2) In euro, excluding one time payment from Forest Laboratories (€70.7m) in September 2009
n/m: Not meaningful

Håkan Björklund, CEO, commented on the company's 2010 performance:

"Our performance in 2010 demonstrates that Nycomed is well positioned to gain from major trends in the pharmaceutical industry.

Nycomed already has one of the highest proportions of sales from emerging markets among major pharmaceutical companies. We are especially strong in Russia/CIS and Brazil and continue to expand in emerging markets in Asia, Latin America and the Middle East. Turnover in 2010 in emerging markets rose 30% over the previous year. In total, emerging markets accounted for 39% of our turnover in 2010.

Sales from our Specialty and Respiratory products also continue to fuel our performance with double-digit growth rates, particularly from Actovegin, Calcichew, TachoSil, Instanyl and Alvesco.

We are optimistic about Daxas, which we have launched in several European markets in 2010. In the US, our partner Forest Laboratories expects to market the product under the brand name Daliresp in the second quarter of 2011.

European sales of our leading product, pantoprazole, have stabilised after patent expiration.

We have made progress in our strategy to expand our portfolio through partnerships, notably in Russia/CIS, where we launched a local collaboration with GE Healthcare on contrast agents, and in-licensed Zenpep, a pancreatic enzyme, from Eurand.

Our results for 2011 will be impacted by the continuous strong marketing and sales effort on launches of Daxas and further implementation and focus on our operations in the emerging markets. We experienced the loss of exclusivity on Protonix in the US on 19 January 2011 and we expect price pressure to continue in the mature markets. This will be partly offset by strong growth in our Key Products portfolio as well as in emerging markets and especially with our new activities in China."

Financial Highlights

Nycomed's 2010 performance continued to show above-industry-average growth in emerging markets, as well as strong growth of Nycomed's Key Products (excl. pantoprazole) and Regional and Local Rx products. Despite this favourable development, Net turnover in 2010 was steady with a slight decrease of 1.8% to €3,170.6 million in 2010 from €3,228.0 million in 2009 (+0.4%, excluding one-time payment from Forest Laboratories in 2009).

In the fourth quarter, net turnover increased by 1.5% to €792.9 million (-3.3% in local currencies).

The decrease was primarily driven by declining sales of pantoprazole due to the loss of exclusivity in Australia and Switzerland in 2010 and full year impact of the expiry of the pantoprazole patent in other key European markets. Net turnover was also negatively impacted by a decline in sales of Protonix® in the United States.

Expenses increased by 8.8% in 2010, primarily due to increased investments in new emerging market affiliates and the launch of Daxas.

Adjusted EBITDA decreased by 20.9% to €850.5 million in 2010 (-15.3% excluding the one-time payment from Forest Laboratories in 2009). In the fourth quarter, adjusted EBITDA decreased by 8.6% (-17.7% in local currencies).

Business Review*

Regional performance

Region	Net Turnover Q4 2010 (€m)	Net Turnover Q4 2009 (€m)	Change	Change in local currencies	Net Turnover FY 2010 (€m)	Net Turnover FY 2009 (€m)	Change	Change in local currencies
Europe	345.6	371.3	-6.9%	-8.6%	1'381.2	1'568.0	-11.9%	-13.2%
Latin America	102.4	78.9	+29.8%	+19.9%	373.8	290.9	+28.5%	+15.1%
Russia/CIS	127.9	103.7	+23.3%	+19.1%	479.3	343.4	+39.6%	+30.5%
Asia-Pacific, Africa, Middle East	67.1	61.6	+8.9%	-2.8%	249.8	212.2	+17.7%	+6.2%
North America	85.5	76.1	+12.4%	+1.8%	409.1	379.6	+7.8%	+1.1%
Out-Licensing	46.4	66.3	-30.0%	-36.1%	193.3	353.2	-45.3%	-48.1%
Contract Manufacturing	18.0	23.3	-22.7%	-23.8%	84.1	80.8	+4.1%	+1.3%
Total	**792.9**	**781.1**	**+1.5%**	**-3.3%**	**3'170.6**	**3'228.0**	**-1.8%**	**-6.2%**
Total excl. one time effects / milestone payments[(1)]	792.9	781.1	+1.5%	-3.3%	3'170.6	3'157.3	+0.4%	-4.0%

(1) One-time payment from Forest Laboratories (€70.7m) in Q3/2009.

Unless otherwise noted, turnover in the "Business Review" section is stated in local currencies and growth is compared year-on-year.

In 2010, sales in emerging markets grew by 29.7% (15.7% in Q4), with Russia/CIS and Latin America as the largest contributors, growing by 30.5% and 15.1% respectively (+19.1% and +19.9% in Q4). Sales in Europe decreased by 13.2%, driven by the European pantoprazole patent expiry in May 2009. This was only partly offset by increased sales of Key Products (including TachoSil®, Xefo® and Instanyl®). Lower sales of Protonix® in the United States were a key factor in the decline of out-licensing sales.

Europe

Nycomed's net turnover in Europe decreased by 13.2%, to €1,381.2 million in 2010, a development which slowed in the fourth quarter to -8.6%. The decrease was primarily due to pantoprazole's loss of exclusivity in key European markets in 2009, including in Germany and in France. In June 2010, patent protection expired in Switzerland. Decreased sales of pantoprazole were most pronounced in Germany, France, Switzerland, Austria, Portugal and Ireland.

Excluding net turnover from pantoprazole, net turnover in Europe increased by 3.6% (Q4: +0.8%), due primarily to sales in Central Eastern Europe, Italy, the Netherlands and the UK. Net turnover in Central Eastern Europe increased by 6.0% in 2010, with particularly strong

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growth in the Czech Republic and Slovakia. Sales in the Czech Republic benefited from Nycomed's acquisition of 20 branded generic prescription products from Sanofi-Aventis and Zentiva in 2009. Sales in Italy increased by 4.0% due to significant sales of pantoprazole and the in-licensing of additional products. Sales in the Netherlands, as well as France and Norway, were positively impacted by the launch of Instanyl®. The expansion of Nycomed's operations into Turkey also helped to offset the decrease in net turnover in Europe, as net turnover in Turkey increased by 40.5% in 2010.

Latin America

Nycomed's net turnover in Latin America increased by 15.1% to €373.8 million in 2010 (Q4: +19.9%) The increase in net turnover was driven primarily by the organic growth of Nycomed's operations in Brazil, Argentina and Mexico, while the introduction of new product lines in Brazil and Venezuela also contributed to the growth in net turnover. In Brazil net turnover increased 15.0% due to increased sales of pantoprazole, OTC Products, including Neosaldina® and Eparema®, and certain Key Products, including TachoSil® and Omnaris®. Brazil's net turnover was also positively impacted by the successful launch of Sitrat®, which compensated for the loss of another Regional and Local Rx Product, Dicetel®. Net turnover in Argentina grew 22.0% (Q4: +24.3%) due to the evolution of the respiratory line, including the sales growth of Alvesco®, and growth of pantoprazole sales, which increased by 32.5%, despite being on the market for 15 years.

Sales in Mexico increased 26.3% (Q4: +36.1%) due to the substantial growth of the Key Products Omnaris® and Alvesco® as well as stable sales of pantoprazole and the development of the OTC Product Riopan®. Sales in Mexico in 2009 were also negatively impacted by Nycomed's change in local business model and overstocking issues. Sales in Venezuela grew by more than 50% due to the launch of in-licensed products from Almirall and the development of the gastroenterology product line.

Russia/CIS

Nycomed's net turnover in Russia/CIS increased by 30.5% to €479.3 million in 2010 (Q4: +19.1%).. The increase was primarily due to continued strong sales of Nycomed's Key Products and Regional and Local Rx Product portfolio brands, including Actovegin®, Concor®, and Magnyl®. In addition, net turnover in Russia/CIS benefited from several new product launches in 2010, including Avonex®, Pedea® and Xymelin®. Sales increased in all the countries in the Russia/CIS region. In 2010, Russia accounted for 72.8% of the net turnover generated in the region.

Asia-Pacific, Africa, Middle East

Nycomed's net turnover in Asia-Pacific, Africa and the Middle East increased 6.2% to €249.8 million in 2010 (Q4: -2.8%).. The increase was due to strong growth in the Middle East, which increased by 54.7% in 2010. Sales in the Middle East were driven by

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pantoprazole, which increased 52.8% in 2010, and Nycomed's Regional and Local Rx Product portfolio. The increase in net turnover in Asia- Pacific, Africa and the Middle East was partially offset by a 20.1%, or €12.4 million, decrease in sales of pantoprazole in Australia following its patent expiry in this market in 2010 (-49.6% in Q4).

Net turnover in North Asia (China, Hong Kong, Taiwan, Korea and Japan) increased by 9.8% driven by the continued positive development of pantoprazole. The increase in net turnover in North Asia was partially offset by the implementation of a new business model for the region, which centralised many of Nycomed's activities into directly controlled local entities. In particular, this change in the business model temporarily impacted sales of Actovegin® and Ebrantil® in China. Elsewhere in the region, sales grew from the regaining the rights to previously out-licensed products, including pantoprazole in Indonesia, Malaysia and the Philippines, as well as the increase in Nycomed's product portfolio through the in-licensing of new products and the acquisition of Guangdong Techpool Bio-Pharma (see page 8), and the expansion of Nycomed's operations into new markets, including Lebanon and Jordan.

North America

Nycomed's net turnover in North America increased by 1.1% to €409.1 million in 2010 (+1.8% in Q4). The increase in net turnover was primarily due to the launch of the generic product Imiquimod Cream in February 2010 and Adapalene in September 2010. The increase was also due to a settlement Nycomed received from BTG plc following the termination of the licence permitting to sell CroFab and DigiFab in the United States. The net turnover in 2010 was negatively impacted by high levels of discounts and allowances, product returns from wholesale distributors, and chargebacks.

Out-Licensing

Nycomed's net turnover related to Out-Licensing decreased 48.1% to €193.3 million in 2010 (-36.1% in Q4). The decrease was due to lower sales of Protonix® through Pfizer Inc. following the "at risk" launches of generic versions of pantoprazole by Teva and Sun Pharmaceutical in 2007, and the payment from Forest Laboratories in 2009.

Contract Manufacturing

Nycomed's net turnover related to Contract Manufacturing increased by 1.3% to €84.1 million in 2010 and decreased by 23.8% in the fourth quarter.

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Product performance

Area	Net Turnover Q4 2010 (€m)	Net Turnover Q4 2009 (€m)	Change	Change in local currencies	Net Turnover FY 2010 (€m)	Net Turnover FY 2009 (€m)	Change	Change in local currencies
Gastroenterology	215.1	265.3	-18.9%	-22.7%	908.0	1'216.2	-25.3%	-27.8%
Specialty Products	170.9	154.5	+10.6%	+7.9%	639.4	553.9	+15.4%	+12.7%
Respiratory	31.1	20.1	+54.7%	+46.7%	100.7	140.2	-28.2%	-33.0%
Respiratory excl. one-time effects(1)	*31.1*	*20.1*	*+54.7%*	*+46.7%*	*100.7*	*69.5*	*+44.9%*	*+36.6%*
Subtotal Key Products	*417.1*	*439.9*	*-5.2%*	*-8.9%*	*1'648.1*	*1'910.3*	*-13.7%*	*-16.6%*
Key Products excl. pantoprazole and one-time effects(1)	*202.0*	*174.6*	*+15.7%*	*+12.5%*	*740.1*	*623.4*	*+18.7%*	*+15.5%*
OTC(2)	101.6	93.8	+8.3%	+1.4%	372.9	343.2	+8.7%	-0.9%
Regional and Local Rx	209.8	189.3	+10.8%	+5.7%	816.7	664.5	+22.9%	+16.2%
Nycomed US	64.4	58.1	+10.8%	+1.4%	332.9	310.0	+7.4%	+2.7%
Total	**792.9**	**781.1**	**+1.5%**	**-3.3%**	**3'170.6**	**3'228.0**	**-1.8%**	**-6.2%**
Total excluding one-time effects(1)	*792.9*	*781.1*	*+1.5%*	*-3.3%*	*3'170.6*	*3'157.3*	*+0.4%*	*-4.0%*
Total OTC(2)	*116.8*	*113.4*	*+3.1%*	*+0.5%*	*433.3*	*417.5*	*+3.8%*	*+2.1%*

(1) One-time payment from Forest Laboratories (€70.7m) in Q3/2009.

(2) "OTC" does not include calcium OTC and pantoprazole OTC, which are included in Specialty Products and Gastrointestinal respectively. "Total OTC" includes calcium OTC and pantoprazole OTC.

Specialty Products, Respiratory as well as Regional and Local Rx products sustained their double-digit growth in the fourth quarter. Excluding pantoprazole and one-time effects, net turnover increased by 10.7% in the full year (6.7% in Q4).

Pantoprazole sales erosion decelerated, caused by strong sales in emerging markets and a slowdown of erosion in Europe. Protonix® sales in the United States decreased further.

Gastroenterology

Nycomed's net turnover from pantoprazole decreased by 27.8% to €908.0 million in 2010. In the fourth quarter, the decline slowed to -22.7%. The decrease was primarily due to pantoprazole's loss of exclusivity in certain key markets in 2010, such as Australia and Switzerland. The decline in sales was also driven by the full-year effect of pantoprazole's loss of substance patent protection in 2009 in most other key European markets, including Germany and France. The decrease in net turnover from pantoprazole was also a result of decreased sales of Protonix® in the United States due to "at risk" launches of generic

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versions of pantoprazole. For more information relating to Teva's and Sun Pharmaceutical's "at risk" launches in 2007 of generic pantoprazole tablets in the United States, see Business Update on page 8 The decline in sales in Europe and North America was partially offset by strong sales in emerging markets, in particular the Middle East, South America and certain countries in Asia, including Malaysia and the Philippines.

Respiratory

In Q3 2009, Nycomed received a one-time payment of €70.7 million from Forest Laboratories. Excluding this payment Nycomed's net turnover from respiratory products increased by 36.6% to €100.7 million in 2010 (Q4: +46.7%). This was due to strong sales of Alvesco® and Omnaris®, which was driven by sales growth of Alvesco® in Canada and Japan, and Omnaris® in Brazil, Canada and Mexico. Nycomed's net turnover from Daxas® was €3.8 million in 2010. Daxas® was launched in Denmark, Germany and the United Kingdom in September 2010 and in several other EU countries in the fourth quarter of 2010.

Specialty Products

Nycomed's net turnover from Specialty Products increased by 12.7% to €639.4 million in 2010 (+7.9% in Q4). The increase was due to higher sales of the majority of the products, including Actovegin®, which increased by 33.1%, and CalciChew®, which increased by 18.1%. Sales of TachoSil® increased due to market launches in Brazil and Saudi Arabia in 2010 and growth in established markets of Germany, Spain and Italy. Instanyl® also increased significantly year on- year.

Regional and Local Rx Products

Nycomed's net turnover from Regional and Local Rx Products increased by 16.2% to €816.7 million in 2010 (Q4: +5.7%). Net turnover from sales of the ten largest Regional and Local Rx Products (by net turnover) increased by 34.9%, led by a significant increase in sales of Concor® and Magnyl®. The increase in net turnover was also driven by the acquisition of 20 branded generic prescription products from Sanofi-Aventis and Zentiva in 2009. Net turnover also benefited from the strong performance of Mesavancol®, a newly launched in-licensed product from Giuliani in Italy.

OTC Products

Net turnover from OTC Products decreased 0.9% to €372.9 million in 2010, but grew at a rate of 1.4% in the fourth quarter. Net turnover from sales of the ten largest OTC Products (by net turnover) increased by 6.6%, led by a strong increase in sales of Neosaldina® in Brazil. The growth of OTC Products occurred mainly in the emerging markets, in particular Latin America and Russia. The increase in net turnover was offset by selective divestments, withdrawal and expiration of product licences in mature markets.

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Company Update

Roflumilast (Daxas®) successfully launched in the European Union

On 5 July 2010, the European Commission granted marketing authorisation for Daxas® (roflumilast) in the European Union. Daxas® is indicated for maintenance treatment of severe COPD (FEV1 post-bronchodilator less than 50% predicted) associated with chronic bronchitis in adult patients with a history of frequent exacerbations as an add-on to bronchodilator treatment. Daxas®, an oral tablet taken once a day, is the first drug in a new class and has been launched in Germany, the UK and Denmark.

FDA approves roflumilast (Daliresp™)in the United States

After the period ended, on 28 February 2011, the FDA granted approval for roflumilast in the United States as a treatment to reduce the risk of chronic obstructive pulmonary disease (COPD) exacerbations in patients with severe COPD associated with chronic bronchitis and a history of exacerbations. Nycomed's US partner Forest Laboratories expects to market the product under the brand name Daliresp™ in the second quarter of 2011.

Daxas® (roflumilast) included as a new treatment option in latest international COPD guidelines

At the end of 2010, the Global Initiative for Chronic Obstructive Lung Disease (GOLD) included roflumilast (Daxas®) as a new treatment option in its COPD management guidelines. A section on the new class, phosphodiesterase 4 (PDE4) inhibitors, describes the efficacy of roflumilast in patients with COPD. "The Global Strategy for Diagnosis, Management and Prevention of COPD" provides evidence-based guidelines for COPD management and is updated annually by a committee of leading COPD experts.

Co-promotion agreement for Daxas with Merck & Co. in Europe and Canada

On 26 April 2010, Nycomed and Merck & Co., Inc. (based in Whitehouse Station, New Jersey and known as MSD outside the USA and Canada) announced that they had entered into a co-promotion agreement for Canada and certain European countries for the commercialisation of Daxas®. In addition, the two companies signed an exclusive distribution agreement for the commercialisation of Daxas® in the United Kingdom.

Nycomed accelerates expansion in China through acquisition of 51.34% stake in Guangdong Techpool Bio-Pharma

On 21 September 2010, Nycomed acquired a 51.34% ownership interest in Guangdong Techpool Bio-Pharma Co. Ltd. China ("Techpool") to expand its presence in China. Shanghai Pharmaceutical Group, a leading Chinese pharmaceutical conglomerate, holds 40.8% of the shares of Techpool.

The acquisition demonstrates the importance of China as a key element of Nycomed's emerging-markets strategy. With it, the company gains access to a leading, high-quality manufacturer of biologic and protein-based drugs with international potential. It also creates an enhanced commercialisation base for Nycomed products.

Nycomed believes there is significant potential for the continued strong growth of Techpool's key products through expanded hospital and reimbursement coverage in China. Nycomed China and Techpool will create value by various forms of alliances between the two entities. The two entities will continue to expand their footprint in China and will focus their efforts around five core brands: Ulinastatin, Kallikrein, Pantoloc®, Ebrantil® and Actovegin®.

Techpool is a fast-growing Chinese biopharmaceutical company based in Guangdong. The company, founded in 1993, specialises in the research, development, manufacturing and marketing of biologic drugs derived from natural sources. It has developed and launched a number of innovative protein drugs, including Ulinastatin, a broad-acting trypsin inhibitor, which is a leading compound in the treatment of sepsis and multiple organ dysfunctions. Kallikrein, a serine protease, is used as a neuroprotective agent in the treatment of stroke.

Nycomed's US patent for Protonix® (pantoprazole) confirmed to be valid

On 16 July 2010, Judge José L. Linares of the US District Court for the District of New Jersey confirmed the jury verdict in favour of Nycomed and Pfizer Inc. The decision upheld the jury verdict issued on 23 April 2010, confirming that Nycomed's US patent for Protonix® (pantoprazole) is valid and rejecting allegations by the defendants that the patent was invalid as obvious and invalid for double patenting.

All issues regarding validity and infringement of Nycomed's US patent for Protonix® (pantoprazole) have been decided by the District Court in Nycomed's and Pfizer's favour.

Nycomed and Pfizer will continue to vigorously pursue their damage claims in this case, resulting from the launch of generic versions of Protonix® "at risk" by Teva and Sun Pharmaceutical.

Against defendant KUDCo, which had not launched "at risk", final judgement was entered as a result of Judge José L. Linares' rulings. On 13 August 2010, the Court entered an order requiring the FDA to switch KUDCo's approval for generic pantoprazole tablets to "tentative" and to set the effective approval date for KUDCo's product to a date not earlier than 20 January 2011, which is the first day after expiry of the paediatric exclusivity period for Protonix®.

Nycomed's US partner Baxter launches TachoSil®

In September 2010, TachoSil® was successfully launched on the US market by Nycomed's partner Baxter International, Inc. FDA approved TachoSil® in April as an adjunct to haemostasis (control of bleeding) in cardiovascular surgery. TachoSil® is the key product in Nycomed's tissue-management portfolio and fulfils the market need for a ready-to-use surgical patch, developed to assist surgeons in achieving fast and reliable bleeding control.

Nycomed files effervescent alendronate for marketing approval

On 21 September 2010, Nycomed and partner EffRx Pharmaceuticals SA announced that the European filings for marketing approval of EX101, a once-a-week 70mg buffered effervescent alendronate, for the treatment of osteoporosis, had been submitted.

GE Healthcare and Nycomed to form collaboration to sell, market and distribute diagnostic imaging pharmaceuticals in Russia and CIS

On 27 April 2010, GE Healthcare, a unit of General Electric Company, and Nycomed announced the signing of an agreement to form a collaboration for the local sales, marketing and distribution of GE Healthcare's medical diagnostic contrast agents in Russia, the Commonwealth of Independent States (CIS), Georgia and Mongolia.

GE Healthcare's contrast media are currently marketed in Russia through a distribution agreement with Nycomed, and this agreement is intended to further strengthen the presence of these key products on the Russian and CIS markets. It is expected that the new company will have around 40 employees in its Moscow offices and across the region it serves.

Zydus Nycomed commissions newly expanded manufacturing facility at Navi Mumbai

On 29 September 2010, Zydus Nycomed, the joint venture company of Zydus Cadila and Nycomed, commissioned its newly expanded active pharmaceutical ingredient (API) manufacturing facility at Navi Mumbai. The company started commercial production in January 2011. To start with, the plant will be manufacturing pantoprazole, Urapidil and Lornoxicam. By the end of 2011, the company will produce eight additional APIs.

Groundbreaking for Yaroslavl manufacturing facility

The project to set up a manufacturing plant to meet the needs of the Russia/CIS market is progressing well. On 18 June 2010, Nycomed hosted the groundbreaking ceremony. On the same day, Russian Prime Minister Vladimir Putin visited the construction site.

The new facility will produce medicines for the local Russia-CIS market, which contributes 10% to Nycomed's turnover and plays an important role in the company's growth strategy. The plant, located in the Yaroslavl region, approximately 280 kilometres from Moscow, will meet both the local and current Good Manufacturing Practice (cGMP) requirements. The latest safety and environmental standards will be applied. Total investments will be between €65 million to €75 million. Construction started in 2010 and the plant will start production in 2014 with approximately 150 employees.

Nycomed to acquire Colombian company Farmacol

After the period ended, On 4 February 2011, Nycomed signed an agreement for the acquisition of Laboratorios Farmacol S.A. (Farmacol), located in Colombia to further grow its presence in the Latin American region. Farmacol's main treatment areas are gastroenterology, respiratory and gynaecology. The transaction is subject to regulatory approval and is expected to close in the second quarter of 2011.

The transaction demonstrates the importance of Latin America as a key part of Nycomed's emerging markets strategy. Farmacol will provide Nycomed access to the high-growth (+14%) Colombian pharmaceutical market, which is Latin America's fifth largest pharmaceutical market.

Financial Report

Net Turnover

Net turnover slightly increased in the fourth quarter 2010 by 1.5% compared to the fourth quarter in 2009, which is primarily related to higher sales in Latin America and Russia/CIS. In local currencies net turnover decreased by 3.3%. Nycomed´s net turnover in the year ended 31 December 2010 was €3,170.6 million, representing a decrease of €57.4 million, or 1.8%, from €3,228.0 million in the year ended 31 December 2009. In local currency, total net turnover decreased by 6.2% (excluding one-time effect by Forest Laboratories in 2009, decrease was 4%). The decrease was primarily driven by declining sales of pantoprazole due to the loss of exclusivity in Australia and Switzerland in 2010 and full-year impact of the expiry of our pantoprazole patent in other key European markets. Net turnover was also negatively impacted by a decline in sales of Protonix® in the United States. This decrease in net turnover was partially offset by an increase, particularly in emerging markets, of Nycomed´s Key Products, Regional and Local Rx Products and OTC Products.

Total Cost of Sales

On a quarterly basis, the total cost of sales increased by 17.6% compared to last year. Year to date total cost of sales increased by €93.6 million, or 10.5%, from €895.2 million in the year ended 31 December 2009 to €988.8 million in the year ended 31 December 2010. Cost of sales as a percentage of net sales increased from 28.8% in 2009 to 32.0% in 2010. Despite decreased net turnover in 2010, cost of sales increased primarily as a result of a shift in Nycomed's product mix from high-margin products such as pantoprazole to lower-margin products. As the net sales price of pantoprazole decreased due to price reductions, the resulting total cost of sales ratio increased. In addition, Nycomed experienced a shift in the product mix from sales of products with higher margins to products with lower margins, including certain Regional and Local Rx Products. Higher product volume related costs, such as customs duties in Russia/CIS and higher fixed production costs for Nycomed US also increased the total cost of sales. Overall the costs within Nycomed's manufacturing and supply organisation remained flat from 2009 to 2010.

Gross Profit and Gross Profit Margin

In the last quarter of 2010, the gross profit slightly decreased by about 1.1% compared to last year's fourth quarter. On a full year basis Nycomed's gross profit decreased by €151.0 million, or 6.5%, from €2,332.7 million in the year ended 31 December 2009 to €2,181.7 million in the year ended 31 December 2010. The gross profit margin decreased from 72.3% in the year ended 31 December 2009 to 68.8% in the year ended 31 December 2010. The decrease in both gross profit and gross profit margin was largely due to the changes in the pricing of pantoprazole and the introduction of generic pantoprazole in the United States as well as the one-time payment received in Q3 '09, partly offset by underlying growth in the Key Products in certain markets.

Total Sales and Marketing Expenses

In the fourth quarter of 2010, total sales and marketing expenses increased by 51.9% compared to the same period of the previous year. This is mainly related to higher amortizations, which increased by 39.8%, while sales and marketing expenses increased only by 12.1% on the comparable quarter. Year to date Nycomed's total sales and marketing expenses increased by €136.3 million, or 9.0%, from €1,511.2 million in the year ended 31 December 2009 to €1,647.5 million in the year ended 31 December 2010. Amortisation of fair value adjustments on assets from acquisitions increased by €58.0 million, or 10.0%, from €579.7 million in the year ended 31 December 2009 to €637.7 million in the year ended 31 December 2010. The increase in amortisation was primarily due to an impairment charge related to Nycomed US. Sales and marketing expenses after deducting amortisation and depreciation charges increased by €78.3 million, or 8.4%, from €931.5 million in the year ended 31 December 2009 to €1,009.8 million in the year ended 31 December 2010. This increase was primarily due to higher marketing and sales costs in emerging markets in connection with our expansion in these strategically important geographical areas. The activities driving these increased costs included the growth of our marketing and sales organisations, the establishment of various subsidiaries and the further expansion of Nycomed's marketing and promotional efforts in Russia/CIS, Brazil, Mexico, China, South Korea, certain Eastern European countries, Turkey and South Africa.

Increased sales and marketing expenses were also due to the preparation and launch of Daxas® in certain countries in the second half of 2010. The increase in marketing and sales costs was partially offset by a reduction in sales and marketing expenses relating to the sale of pantoprazole in various mature markets that were impacted by the pantoprazole loss of exclusivity in 2009 and 2010. This decrease was a result of commercial-effectiveness efforts and other cost-containment initiatives.

Research and Development Expenses

Research and development expenses increased by 36.0% compared to the last year's fourth quarter. In the full year 2010, Nycomed's research and development expenses increased by €13.6 million, or 6.8%, from €198.6 million in the year ended 31 December 2009 to €212.2 million in the year ended 31 December 2010. The increase is a result of certain project-impairment costs and a decrease in capitalised development costs. Expenses associated with other drug projects remained stable. As a percentage of net turnover, Nycomed's research and development expenses increased from 6.2% in the year ended 31 December 2009 to 6.7% in the year ended 31 December 2010.

Administrative Expenses

In the last quarter of 2010, administrative expenses increased by 14.0% compared to Q4 2009. On a full year perspective, Nycomed's administrative expenses increased by €35.7 million, or 13.7%, from €260.0 million in the year ended 31 December 2009 to €295.7

million in the year ended 31 December 2010. The increase was driven by Nycomed's expansion in emerging markets and higher project and reorganisation driven administrative expenses in Nycomed US. The increase was also due to the implementation and global roll-out of a new IT platform and the further roll-out of Nycomed's SAP-based ERP system.

Special Expenses

On a quarterly basis special expenses increased by 42.4% or €10.8 million. For the year, special expenses decreased by €4.6 million, or 6.1%, from €75.0 million from 31 December 2009 to €70.4 million from31 December 2010. The decrease on full year basis is due to the completion of certain initiatives, such as the restructuring of production facilities and research and development reorganisation. These decreases were offset by costs for the General and Administrative Improvement Project at Nycomed (GAIN) and restructuring of the marketing and sales functions.

Net Financial Items

Total net financial items for the year ended 31 December 2010 amounted to an expense of €201.4 million, an increase of €186.1 million from an expense of €15.3 million for the year ended 31 December 2009. This increase was primarily due to a net foreign exchange loss of €58.0 million in the year ended 31 December 2010 against a gain of €166.2 million for the year ended 31 December 2009, which primarily related to the fluctuation of the US dollar and the Norwegian krone against the euro. The net financial expenses for the year ended 31 December 2010 comprised interest income and other financial income for €10.6 million, compared to €13.5 million in the prior year, and interest expenses of €195.4 million, compared to €216.0 million in the year ended 31 December 2009, due to lower interest levels. The net financial items for the year ended 31 December 2010 also included a net gain from derivative financial instruments of €73.3 million, mainly derived from the closing of the cross currency swap during the year 2010 compared to €11.5 million income in the prior year, amortised financing fees of €23.8 million compared to €17.0 million in the year ended 31 December 2009, and other financial expenses of €7.5 million, compared to €10.0 million in the previous year.

Net result of the period

Net result of the fourth quarter shows a loss of €172.5 million compared to a gain of €24.5 million during the fourth quarter of 2009. For the full year the net result amounts to a loss of €229.1 million compared to a gain of 232.7 in 2009. This is mainly the result of a lower profit margin, and increased investments in new emerging market affiliates and the launch of Daxas®.

Taxes

Nycomed's income-tax credit was €17.3 million in the year ended 31 December 2010, compared to an income tax expense of €39.9 million in the year ended 31 December 2009. The decrease in the income tax expense of €57.2 million was due primarily to Nycomed's reduced operating income.

Adjusted EBITDA

The adjusted EBITDA, which is an important measure of Nycomed's performance, totalled €850.5 million in 2010, which is 20.9% below 2009. Excluding the one-time payment from Forest, the decrease was only 15.3%. This reflects the development of pantoprazole especially in Europe and in the US.

Cash Flow

Net cash flow from operating activities increased by €19.2 million in the year ended 31 December 2010, from €715.6 million in the year ended 31 December 2009 to €734.8 million in the year ended 31 December 2010. The increase in cash flow from operating activities was primarily related to movements in Nycomed's provisions, pensions and other liabilities and lower tax payments. Nycomed's working capital had a positive development of €122.2 million in the year ended 31 December 2010. This was driven by increases in accounts payables and increased provisions related to Nycomed US and employment redudances. It was partly offset by increased receivables primarily generated in the emerging markets, particularly in Brazil, Mexico and Russia. Operating income decreased by €332.1 million in the year ended 31 December 2010 largely due to a decrease of gross margin of €151.0 million and increases in cost of sales caused by the establishment of new operations in new markets, which factored heavily in the increase of Nycomed's sales and marketing expenses and administrative expenses in 2010.

Net cash flow used in investing activities increased by €120.3 million in the year ended 31 December 2010, from €234.1 million in the year ended 31 December 2009 to €354.4 million in the year ended 31 December 2010. The increase in net cash used in investing activities was primarily due to the acquisition of a 51.34% stake in Guangdong Techpool Bio-Pharma in the year ended 31 December 2010. This increase was partially offset by a €24.3 million decrease in purchases of intangible assets in 2010 and the inflow of €12.0

million relating to the adjustment in the purchase price consideration for Altana Pharma AG.

Net cash flow used in financing activities increased by €411.7 million in the year ended 31 December 2010, from €237.2 million in the year ended 31 December 2009 to €649.0 million in the year ended 31 December 2010. The increase was mainly due to an extraordinary repayment of €200.0 million under the Senior Facility as part of the amendment agreed in July 2010 and an additional repayment of cash sweep of €46 million in March 2010. Furthermore the payment related to ordinary installments under the Senior Facilty Agreement increased from €235.8 million in 2009 to €324.6 million in 2010. The increase in cash used in financing activities is also due to the drawdown of the restructuring facility in 2009, which provided €318.4 million in cash flow. The year-on-year increase in the cash flow from financing activities is also due to an outflow for financing fees paid in connection with the amendments to the senior facility of €40.5 million. The remaining variance is attributable to the acquisition of non-controlling interests for €21.5 million. The negative impact from the above-mentioned events is partially offset by the net effect from the sale and purchase of debt of €116.9 million and an inflow of €150.0 million from issuance of additional shares.

Capital Resources

Nycomed expects also in 2011 to generate significant cash flow to support the strategy and services of debt.

As of the end of December 2010 Nycomed had a cash position of €495.6 million.

Outlook 2011

Nycomed's results for 2011 will be impacted by the continuous strong marketing and sales effort on launches of Daxas® and further implementation and focus on operations in the emerging markets. Nycomed experienced the loss of exclusivity on Protonix® in the United States on 19 January 2011 and expects price pressure to continue in the mature markets. This will be partly offset by strong growth in Nycomed's Key Products portfolio as well as in emerging markets and especially with Nycomed's new activities in China.

Income Statement

	Q4 2010 (€m)	Q4 2009 (€m)	FY 2010 (€m)	FY 2009 (€m)
Net sales	773.7	764.3	3'089.0	3'109.2
Royalties	6.8	1.6	22.1	17.4
Revenue	*780.5*	*765.9*	*3'111.1*	*3'126.6*
Other income	12.4	15.2	59.5	101.4
Net turnover	**792.9**	**781.1**	**3'170.6**	**3'228.0**
Cost of sales	-261.1	-243.5	-988.8	-895.2
Gross profit	**531.8**	**537.6**	**2'181.7**	**2'332.7**
Sales and marketing expenses	-260.7	-232.6	-1'009.8	-931.5
Amortisation of fair value adjustments on patents and rights from acquisitions	-216.4	-154.8	-637.7	-579.7
Total sales and marketing expenses	**-477.1**	**-387.4**	**-1'647.5**	**-1'511.2**
Research and development expenses	-65.3	-48.0	-212.2	-198.6
Administrative expenses	-79.2	-69.5	-295.7	-260.0
Integration / Restructuring costs	-36.3	-25.5	-70.4	-75.0
Operating Income (Loss)	**-126.1**	**7.2**	**-44.2**	**288.0**
Financial income	92.1	59.7	228.7	258.0
Financial expenses	-131.8	-92.5	-430.1	-273.3
Share of loss of associates	-	-	-0.9	-
Profit (loss) before tax	**-165.7**	**-25.5**	**-246.4**	**272.7**
Income tax	-6.8	50.0	17.3	-39.9
Net result of the period	**-172.5**	**24.5**	**-229.1**	**232.7**

EBITDA / Adjusted EBITDA				
Net result of the period	**-172.5**	**24.5**	**-229.1**	**232.7**
Adjustments				
Net financial items	39.6	32.7	202.3	15.3
Income tax expense (benefit)	6.8	-50.0	-17.3	39.9
Depreciation and amortisation	286.3	190.6	818.9	711.1
EBITDA	**160.2**	**197.8**	**774.9**	**999.1**
Adjustments				
Integration/restructuring and project costs (excluding depreciation already included in EBITDA)	36.8	24.0	69.9	70.4
Share of adjusted EBITDA from associate	2.4	-	2.4	-
Social security expenses related to Warrants	3.4	-	3.4	-
Warrants	-	-	-	5.1
Adjusted EBITDA	**202.8**	**221.8**	**850.5**	**1'074.6**

Balance Sheet

Assets	30.9.2010 (€m)	31.12.2009 (€m)
Non-current assets		
Patents and rights and currently marketed products	2'403	2'590
Goodwill	2'224	2'175
Development projects in progress	131	442
Total intangible assets	**4'759**	**5'206**
Total property, plant and equipment	**593**	**618**
Investment in associate	181	–
Other investments in shares and bonds	41	37
Other receivables	12	7
Deferred tax assets	123	113
Total non-current assets	**5'707**	**5'981**
Current assets		
Total inventories	500	494
Trade receivables	669	560
Income tax receivable	13	14
Receivable from associate	1	–
Other receivables and prepayments	84	83
Marketable securities	8	6
Cash	496	748
Total current assets	**1'770**	**1'905**
Total assets	**7'477**	**7'886**

Equity and liabilities		
Capital stock	17	17
Reserves	1'443	1'484
Equity attributable to equity holders of the parent	*1'460*	*1'500*
Non-controlling interests	31	39
Total Stockholders' Equity and Minorities	**1'491**	**1'539**
Non-current liabilities		
Post-employment benefits	357	310
Deferred tax	733	870
Provisions	79	88
Other non-current liabilities	–	82
Deferred income and other non-current liabilities	45	8
Financial institutions	3'706	4'093
Total non-current liabilities	**4'920**	**5'450**
Current liabilities		
Financial institutions	318	304
Trade payables	263	229
Income tax payable	67	39
Provisions	267	182
Other payables	106	102
Deferred income	46	40
Total current liabilities	**1'067**	**897**
Total liabilities	**5'987**	**6'347**
Total equity and liabilities	**7'477**	**7'886**

Cash Flow

	Q4 2010 (€m)	Q4 2009 (€m)	FY 2010 (€m)	FY 2009 (€m)
Cash flow from operating activities				
Operating income	**-126.1**	**7.2**	**-44.2**	**288.0**
Adjustments to reconcile operating profit to net cash flow				
Depreciation and impairment of property, plant and equipment	32.0	24.2	99.0	86.8
Amortisation and impairment of intangible assets	254.3	166.4	720.0	624.4
Movements in provisions, pensions and other liabilities	1.4	-22.8	45.9	-15.4
Share based payments	–	–	–	5.1
Other adjustments	-2.9	1.5	-0.5	-6.4
Change in working capital	36.0	-33.2	26.5	-95.7
Income taxes received (paid)	-15.0	-41.9	-111.9	-171.2
Net cash flow from (used in) operating activities	**179.7**	**101.4**	**734.8**	**715.6**
Cash flow from investing activities				
Acquisition of subsidiaries(1)	–	0.3	-1.1	-6.1
Acquisition of associate(2)	-6.7	–	-169.1	–
Purchase of intangible assets	-27.2	-50.3	-137.3	-161.6
Proceeds from sale of intangible assets	1.3	-0.3	3.1	2.0
Purchase of property, plant and equipment	-25.3	-26.6	-69.2	-70.6
Proceeds from sale of property, plant and equipment	2.5	3.3	6.5	4.7
Purchase of other investments	6.8	-2.7	0.6	-2.5
Adjustment of purchase price consideration - Altana Pharma AG	–	–	12.0	–
Net cash flow from (used in) investing activities	**-48.5**	**-76.3**	**-354.4**	**-234.1**
Cash flow from financing activities				
Repayment of senior credit facility	-173.1	-122.5	-567.6	-235.8
Drawn restructuring facility	–	318.4	–	318.4
Changes in other borrowings	0.9	0.2	-1.1	-7.7
Financing fees paid	-40.5	–	-40.5	–
Proceeds from issue of capital	-0.7	–	150.0	–
Fees in connection with issue of capital	-0.7	–	-0.7	–
Increase of non-controlling interests	0.7	–	0.7	–
Acquisition of non-controlling interests	-0.1	–	-25.1	-2.9
Sale of debt	203.0	–	203.0	173.7
Debt buy-back	-174.5	-162.1	-174.5	-262.1
Financial income received	4.1	1.7	13.5	13.8
Financial expenses paid	-54.4	-45.0	-202.9	-217.9
Other financial expenses paid	39.3	–	-7.4	-5.6
Realized gains/losses on derivative financial instruments	-4.0	–	-11.6	–
Realised net foreign exchange gain/loss on unwinding of cross-currency swaps	0.8	–	15.3	-11.2
Net cash flow from (used in) financing activities	**-199.2**	**-9.3**	**-648.9**	**-237.3**
Net cash flow	**-68.0**	**15.8**	**-268.5**	**244.2**
Cash as of beginning of period	557.5	730.0	747.6	496.7
Currency translation adjustments	6.1	1.8	16.5	6.7
Cash as of end of the period	**495.6**	**747.5**	**495.6**	**747.6**

(1) *Acquisition of 50.0% of Nycomed Madaus (Pty) Ltd (South Africa) in 2009.*
(2) *Acquisition of 51.34% of Guangdong Techpool Bio-Pharma in 2010.*

Notes

In this report, references to "we", "us", "our", "Nycomed" and "the Nycomed Group" are to Nycomed S.C.A. SICAR and its consolidated subsidiaries and affiliates.

This Interim Report has been drawn up in accordance with International Financial Reporting Standards (IFRS), as set forth in the Annual Report 2009. This discussion should be read in conjunction with the audited consolidated financial statement of Nycomed S.C.A. SICAR as of and for the twelve months ended 31 December 2009.

For further information, please see the Nycomed website: http://www.nycomed.com

Audited full-year report

The audited full-year report is available for download at:
http://www.nycomed.com/investors/reports/

Forward-looking statements

The forward-looking statements in this report reflect management's expectations of future events based on the information presently available to Nycomed and must be viewed in the context of the business environments, currency markets and regulatory developments which may cause actual results to deviate materially from those projected by Nycomed. For further information on factors, which may cause deviations, please see http://www.nycomed.com

Conference Call

Nycomed will host a conference call on 2 March 2010, 16:00 CET.

To access, participants should dial one of the following phone numbers:

International / UK	+44 208 817 9301
US	+1 718 354 1226
Denmark	+45 70 26 50 40
Ireland	+353 1 436 4265
Other call-in numbers	http://bit.ly/i7lwek

This conference will be transcribed and digitally recorded. All participants who dial in will be requested to give their full name and company name for the conference call. These details will be requested to ensure the screening process for all participants.

The conference will be available in digital replay. This service will be available approximately two hours after the conference call has ended, and will be available until 9 March 2011, 11:59 pm CET.

Digital replay phone numbers	+35314364267 +442077696425
Passcode	4416 684#

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